



FISCAL MEMORANDUM

HB 2040 - SB 2000

April 12, 2022

SUMMARY OF BILL AS AMENDED (017291): Establishes numerous requirements governing the practices and procedures of private entities, referred to in the proposed legislation as “contract service providers”, that enter into a written contract or agreement with a government entity to provide supervision of offenders using an electronic monitoring device. Specifies that “contract service provider” does not include an ignition interlock provider or an electronic monitoring device manufacturer or producer.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue – Exceeds \$3,500/FY22-23 and Subsequent Years/TBI

Increase State Expenditures –

Exceeds \$2,200/FY22-23 and Subsequent Years/TBI

Assumptions for the bill as amended:

- The requirements established in the proposed legislation affect the practices and procedures of private entities.
- Per the language of the legislation, a contract service provider is required to perform a fingerprint-based criminal background check on each employee, to be conducted by the Tennessee Bureau of Investigation (TBI), the Federal Bureau of Investigation (FBI), or both, to be paid in its entirety by the contract service provider.
- Information as to how many employees would be required to perform a background check administered by the TBI. For the purposes of this analysis, it is assumed to exceed 100 new employees each fiscal year.
- A national criminal background check costs \$35.15. The disbursement of the background check fee is as follows:
 - Tennessee Bureau of Investigation (TBI): \$13.25;
 - Federal Bureau of Investigation (FBI): \$13.25; and
 - Applicable vendor: \$8.65.
- The recurring increase of revenue to the TBI will exceed \$3,515 ($\35.15×100).
- The recurring increase of expenditures to the TBI will exceed \$2,190 [$(\$13.25 + \$8.65) \times 100$].
- It is assumed that the requirements of contract service providers, as proposed under this legislation, will not significantly impact contracting costs for governmental entities or any fine revenue collections for such entities.
- Any fiscal impact to state or local government is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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